

**NOTICE OF VIRTUAL PUBLIC HEARING ON
DUKE ENERGY CAROLINAS, LLC'S ("DEC") REQUEST FOR COMMISSION APPROVAL OF DEC'S
PROPOSED
SOLAR CHOICE METERING RIDERS AND RATE SCHEDULES
(COLLECTIVELY, THE "SOLAR CHOICE TARIFFS") AS SPECIFICALLY REQUIRED BY ACT 62 AND AGREED TO VIA
SETTLEMENT WITH CERTAIN CLEAN-ENERGY ADVOCATES**

DOCKET NO. 2020-264-E

PLEASE TAKE NOTICE the Public Service Commission ("Commission"), pursuant to S.C. Code Ann. Regs. 103-817 and Commission **Order No. 2021-47**, has scheduled a virtual public hearing in response to the above referenced **Docket No. 2020-264-E**. The virtual public hearing is scheduled for **9 a.m. – 1 p.m. and 4 p.m. – 7 p.m. on TUESDAY, MARCH 30, 2021.**

Persons who wish to testify before the Public Service Commission regarding the proposal may do so at this hearing.

PLEASE BE ADVISED:

- THIS IS A HEARING FOR CUSTOMERS OF DUKE ENERGY CAROLINAS, LLC TO PROVIDE TESTIMONY RELATED TO THE PROPOSED SOLAR CHOICE METERING TARIFF.
- PUBLIC WITNESSES MUST BE SWORN-IN BEFORE PRESENTING THEIR TESTIMONY.
- CODE OF JUDICIAL CONDUCT, RULE 501, CANON 3 PROHIBITS COMMISSIONERS FROM MAKING ANY PUBLIC COMMENT ON A PROCEEDING THAT IS PENDING OR IMPENDING (MATTER COULD BE FILED WITH THE COMMISSION IN THE FUTURE); THEREFORE, COMMISSIONERS CANNOT ANSWER QUESTIONS DURING THE HEARING.
- TO PERMIT ALL INTERESTED WITNESSES THE OPPORTUNITY TO BE HEARD, EACH WITNESS' TESTIMONY IS LIMITED TO THREE (3) MINUTES FOR ORAL TESTIMONY/PRESENTATIONS.
- ALL TESTIMONY WILL BE GIVEN UNDER OATH AND ENTERED INTO THE RECORD OF THE CASE SUBJECT TO OBJECTION BY THE PARTIES.
- PLEASE NOTE THE COMMISSIONERS WILL BE PRESENT TO LISTEN TO YOUR TESTIMONY AND STATEMENTS REGARDING THIS APPLICATION.

IF YOU WISH TO **TESTIFY** AT THE VIRTUAL PUBLIC HEARING, YOU MUST DO THE FOLLOWING:

1. ON OR BEFORE MONDAY, **MARCH 29, 2021, NO LATER THAN 4:45 P.M.**, ANY PERSON DESIRING TO TESTIFY AS A PUBLIC WITNESS SHALL PROVIDE THE COMMISSION (A) YOUR NAME, (B) THE TELEPHONE NUMBER THAT YOU WISH THE COMMISSION TO CALL DURING THE HEARING TO RECEIVE YOUR TESTIMONY, AND (C) YOUR PHYSICAL ADDRESS. THIS INFORMATION MAY BE PROVIDED IN ONE OF TWO WAYS: BY E-MAILING COMMUNICATIONS@PSC.SC.GOV OR BY CALLING **803-896-1972**.
2. ALSO, BE ADVISED THAT YOU WILL BE CALLED IN THE ORDER YOU SIGNED UP TO SPEAK. PLEASE BE AWARE THAT THE COMMISSION MAY CALL YOU AT ANYTIME AFTER THE BEGINNING OF THE HEARING. **THE COMMISSION WILL ONLY ATTEMPT TO REACH YOU THREE (3) TIMES.**

THE FOLLOWING INFORMATION WAS PROVIDED BY DUKE ENERGY CAROLINAS, LLC ("DEC") AND DOES NOT REPRESENT THE VIEWS OR FINDINGS OF THE COMMISSION.

A summary or explanation of the Solar Choice Metering Tariff proposed by DEC to include the rates and charges proposed (Subscription fee and any minimum charges):

As outlined in DEC's Application (the "Application") filed in Docket No. 2020-264-E, the Solar Choice Tariffs were agreed to as part of a settlement between DEC, Duke Energy Progress, LLC ("DEP"), and various clean-energy advocates. These Solar Choice Tariffs arise from Act 62, which specifically requires the Commission to approve tariffs for the Solar Choice Program with an effective date of June 1, 2021. As further discussed in the Application, Act 62 also requires the Solar Choice Program to ensure that each class of service is provided a rate option that accurately aligns bill savings with the corresponding reductions in the overall costs to provide such electric service, such as "time-variant pricing structures."

DEC employed a number of components that were previously presented to the Commission in Docket No. 2019-182-E as tools to align rates with the cost to serve. As described in greater detail in the Application and agreed to via settlement with clean-energy advocates, DEC will offer riders and rate schedules for residential and non-residential customers, as outlined below:

1. Residential Interim Riders

- a. DEC will offer an interim Solar Choice rider (the "Interim Rider") for residential customers who apply for interconnection from June 1, 2021 through December 31, 2021. This interim period will permit DEC to switch to a new, customer-friendly billing system for the Permanent Tariff (defined below), and customers taking service under this rider can remain on their existing rate schedule.

If approved by the Commission, the Interim Rider will consist of the following rate mechanisms:

- i. Monthly Credit for Net Excess Energy, per kWh: \$0.0270
- ii. Non-bypassable Charge assessed to consumer each month, per kW: \$0.50

Although customers under the Interim Rider will be allowed to stay on this structure until May 31, 2029 (the permitted transfer date under Act 62), they would then be given the opportunity to switch to the Permanent Tariff once in effect.

2. Residential Permanent Tariffs

- a. DEC will also offer a new Residential Solar Rate Schedule and a Permanent Rider (collectively, the "Permanent Tariff") to residential customers who apply for interconnection on or after January 1, 2022.
- b. The Permanent Tariff utilizes time-variant rates for the power delivered to customers in accordance with Act 62. This means that customers will pay different rates depending upon the season and the time of day. As outlined in the Application, this rate structure achieves Act 62's directive that "cost-shifting" and "subsidization" borne by non-participating customers should be eliminated to the "greatest extent practicable." The specific time periods and associated pricing are as follows:

	Prices without Riders and before future fuel cost adjustments (¢/kWh)
Peak	15.1760
Off-Peak	8.7586
Super-Off-Peak	6.0268
Critical Peak*	25

* Price for peak hours on up to 20 DEC-designated Critical Price days per year

- c. TOU Periods (all times in Eastern Prevailing Time)
 - i. Annual On-peak period: 6:00 pm – 9:00 pm

- ii. Additional On-peak period: December-February from 6:00 am – 9:00 am
- iii. Super Off-peak period: March-November from 12:00 am – 6:00 am
- d. The Permanent Tariff will also contain a Monthly Grid Access Fee (“GAF”) equal to \$5.86/kW - dc/month. The GAF will be applied to the nameplate capacity in excess of 15 kW-dc for a customer’s rooftop solar system.
- e. The Permanent Tariff will also contain a Monthly Minimum Bill (“MMB”) of \$30, which would be reduced by the Basic Facilities Charge (“BFC”) equal to \$13.09 and the portion of the customer’s monthly volumetric energy charges specific to customer and distribution costs. The current customer and distribution costs are:

	(c/kWh)
On-Peak	3.6569
Off-Peak	2.4882
Super-Off-Peak	1.8066

- f. If the combination of the BFC, specific volumetric energy charges, and bypassable riders (\$0.42/kW) is less than \$30, then the MMB charge is equal to the difference. Any avoided cost bill credits for net excess energy can be used to reduce a customer’s bill after the MMB has been applied.
 - g. The Monthly Credit for Net Excess Energy will be equal to \$0.0270 per kWh.
3. Non-Residential Rider
- a. DEC will also offer a new rider to non-residential customers (the “Non-Residential Rider”) after June 1, 2021. These customers would be served under their existing rate schedule and the Non-Residential Rider, which will include monthly netting of excess energy. Monthly net exports will be credited at \$0.0270 per kWh

As explained in the Application, the parties to the settlement also agreed that these tariffs would be accompanied by solar-based energy efficiency (“EE”)/demand-side management (“DSM”) programs which will start with existing DSM technologies but, in the future, will include consideration of other emerging peak load reduction technologies as they evolve. These programs will be the subject of other dockets in South and North Carolina, and would provide a durable path for the future of customer-sited solar in South Carolina.

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According to DEC, this proposal impacts existing net metering customers and non-participating customers as follows:

As detailed in the Application, the Solar Choice Tariffs include a “methodology to compensate customer-generators for the benefits provided by their generation to the power system” and align cost to serve both participating and non-participating customers. Specifically, the rate structure in the Solar Choice Tariffs contains a number of elements that work together to ensure that DEC appropriately recovers the cost to serve net energy metering (“NEM”) customers, which reduces unwarranted cost shifts to non-NEM customers in accordance with Act 62.

The Application details the tariffs available for existing NEM customers and those that apply for net metering before June 1, 2021. These customers may remain on their current rate schedule and rider until 2025 (the permitted grandfathering date under Act 236) or in 2029 if an Act 62 NEM Customer. NEM customers would be given the option to transfer to the applicable Solar Choice Metering rider and rate schedule once in effect.

If an existing NEM customer elects not to transfer to a Solar Choice Tariff by their grandfathering date, they can stay on the standard residential rate schedule, but any volumetric price increase after their transfer date will be placed in a non-bypassable charge based on the estimated total solar energy production of their system size. The solar customer would also be moved to monthly netting and would be assessed a minimum bill set at \$10 more than the BFC at that time. This minimum bill would be applied in the same manner as the MMB in the Permanent Tariffs—meaning it would recover some portion of the DEC’s estimated customer and distribution costs. The MMB would be reduced by the BFC, the portion of the customer’s monthly volumetric energy charges specific to such customer, and certain distribution costs.

As explained in the Application, the Solar Choice Tariffs reflect a many-months’-long stakeholder process by which DEC and DEP engaged leaders in the clean energy market to ensure that the Solar Choice Tariffs, as evidenced by the Application and Stipulation filed in this proceeding, build upon the successful deployment of solar generating capacity under Act 236 in a way that benefits all parties.

If the tariffs in this case contains a request for adjustment of rates, the rates are subject to potential modification by the Commission during the course of this case.

Persons seeking further information about the Commission’s procedures should contact the Commission at **(803) 896-5100** or visit its website at www.psc.sc.gov.

1/21/21